

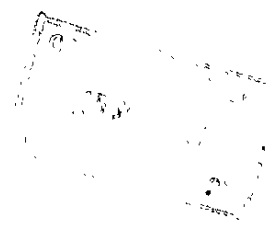
1995-2001

COUNTRYWIDE SURVEYORS LIMITED

REGISTERED IN ENGLAND NO. 1994031

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1990



COUNTRYWIDE SURVEYORS LIMITED

DIRECTORS' REPORT

The directors submit their annual report together with audited financial statements for the year ended 31 December 1990.

Principal Activities

The principal activities of the company are commercial and professional property advisors, property management, land planning and development, architectural services and building and residential surveying.

Review of business

1990 proved to be a difficult trading year due to the severe downturn in the property market. Some rationalisation of offices and management occurred during the year. This has provided a strong basis to continue trading profitably and to take full advantage of any upturn in the market.

Profits and Dividend

An interim dividend of £164,225 (1989: £350,000) was paid during the year. The directors do not recommend the payment of any further dividend. The retained profit for the year, after payment of this dividend, was £145,860.

COUNTRYWIDE SERVICES LIMITED

Directors

The directors who served the company during the year were as follows:-

C J Finch	Chairman
D V George	Joint Managing Director
C P Shaw	Joint Managing Director
J H Bagshaw	Director Appointed 26, 2,90
C R Brown	Director Appointed 26, 2,90
A Chambers	Director
N G Franklin	Director
R A Greenham	Director Resigned 21, 5,90
R A Jordan	Director Resigned 20, 4,90
J L McGuffog	Director
M D Moody	Director
D J Shortland	Director

Directors' Interests

Mr C J Finch is a director of the immediate holding company and his shareholdings are disclosed in that company's annual report.

The interests of the other directors at the year end in the shares of the other group companies, which are all beneficial, are set out below:-

	HAMBRO COUNTRYWIDE PLC Ordinary 5p shares		HAMBROS PLC Ordinary 20p shares	
	<u>1.1.90</u>	<u>31.12.90</u>	<u>1.1.90</u>	<u>31.12.90</u>
A Chambers	26,143	145,309	Nil	Nil
N G Franklin	20,000	Nil	Nil	Nil
D V George	723,333	723,333	Nil	Nil
J L McGuffog	3,808	3,808	2,465	2,465
M D Moody	188,388	138,388	Nil	Nil
C P Shaw	6,488	Nil	Nil	Nil
D J Shortland	508,053	127,593	Nil	Nil
J H Bagshaw	Nil	Nil	Nil	Nil
C R Brown	4,137	4,137	Nil	Nil

The unexpired periods of Directors' service contracts at 31 December 1990 were as follows:

A Chambers	32 months
D V George	3 months
C P Shaw	32 months

No director had an interest in any other significant contract with the company during the year.

On 30 May 1990, the following directors were granted options under the Hambro Countrywide Plc Savings Related Share Option Scheme at 39.6p per share. These are exercisable between 30 May 1995 and 29 November 1995 on the completion of the savings contract.

	<u>Number of Options</u>
A. Chambers	27,270
C.R. Brown	9,090
N.G. Franklin	27,270
D.V. George	27,270
M.D. Moody	9,090
D.J. Shortland	27,270

COUNTRYWIDE SURVEYORS LIMITED

Personnel

The company has a policy of keeping employees informed of company affairs on a regular basis by area meetings involving Main Board and Regional Directors. It is the policy of the Company to provide employment for disabled persons whenever the requirements of the organisation will allow and if applications for employment are received from suitable individuals. If existing employees become disabled every reasonable effort will be made to ensure that their employment with the company can continue on a worthwhile basis with career opportunities available to them.

Auditors

On 4 September 1990, Price Waterhouse resigned as Auditors and on that date, KPMG Peat Marwick McLintock were appointed.

KPMG Peat Marwick McLintock have indicated their willingness to continue as Auditors and a Resolution concerning their re-appointment will be proposed at the Annual General Meeting.

By Order of the Board

R J Baker
Secretary

12 March 1991

REPORT OF THE AUDITORS, KPMG PEAT MARWICK McLINTOCK

TO THE MEMBERS OF COUNTRYWIDE SURVEYORS LIMITED

We have audited the financial statements on pages 5 to 14 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31 December 1990 and of its profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Peat Marwick McLintock

Chartered Accountants
12 March 1991

COUNTYWIDE SURVEYORS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 1990

	Note	1990 £	1989 £
TURNOVER	1b	12,979,519	13,979,517
Staff costs	2	(7,831,269)	(7,690,457)
Other operating costs		(5,253,244)	(6,247,872)
		<hr/>	<hr/>
(LOSS)/PROFIT FROM OPERATIONS	4	(104,994)	41,188
Interest receivable		490,577	488,756
Other income	5	165,064	123,275
Interest payable and similar charges		(6,472)	(13,918)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		544,175	639,301
Taxation on profit on ordinary activities	6	(234,090)	(278,355)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		310,085	360,946
Dividends	7	(164,225)	(350,000)
		<hr/>	<hr/>
RETAINED PROFIT FOR THE YEAR	13	145,860	10,946
		<hr/>	<hr/>

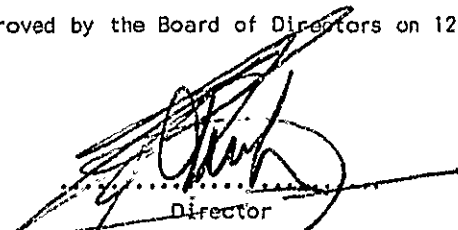
The notes on pages 8 to 14 form part of these financial statements.

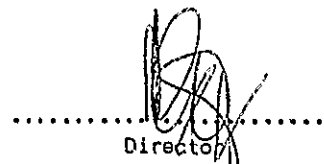
COUNTRYWIDE SURVEYORS LIMITED

BALANCE SHEET AT 31 DECEMBER 1990

	Note	1990 £	1989 £
FIXED ASSETS			
Tangible assets	8	2,116,856	2,235,049
CURRENT ASSETS			
Debtors	9	2,666,244	4,734,926
Cash at bank and in hand		541,665	1,096,536
		3,207,909	5,831,462
Creditors: amounts falling due within one year	10	(4,623,056)	(7,465,478)
NET CURRENT LIABILITIES		(1,415,147)	(1,634,016)
TOTAL ASSETS LESS CURRENT LIABILITIES		701,709	599,033
Creditors: amounts falling due after more than one year	10	-	(6,710)
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation	11	-	(36,474)
		701,709	555,849
CAPITAL AND RESERVES			
Called up share capital	12	500,000	500,000
Profit and loss account	13	201,709	55,849
		701,709	555,849

Approved by the Board of Directors on 12 March 1991 and signed on their behalf by


.....
Director


.....
Director

The notes on pages 8 to 14 form part of these financial statements.

COUNTRYWIDE SURVEYORS LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED 31 DECEMBER 1990

	1990		1989	
	£	£	£	£
SOURCE OF FUNDS				
Profit before taxation		544,175		659,301
Adjustments for items not involving the movement of funds				
Depreciation of tangible fixed assets	676,214		662,565	
Loss on sale of tangible fixed assets	79,912		338	
		756,126		662,901
AMOUNT GENERATED FROM OPERATIONS		1,300,301		1,302,202
FUNDS FROM OTHER SOURCES				
Proceeds from sale of tangible fixed assets	498,221		271,943	
Increase in issued share capital	-		499,998	
Group transfer of long term liability	-		6,710	
Group transfer of deferred taxation	-		28,214	
		498,221		806,865
		1,798,522		2,109,067
APPLICATION OF FUNDS				
Long term liability paid	(6,710)		-	
Dividend paid	(514,225)		(900,000)	
Corporation tax paid	(299,453)		(585,572)	
Purchase of tangible fixed assets	(1,090,040)		(661,496)	
Group transfers of tangible fixed assets	(48,114)		(800,576)	
		(1,958,542)		(2,947,644)
		(160,020)		(838,577)
MOVEMENT IN WORKING CAPITAL				
Debtors	2,068,682		(1,681,925)	
Creditors	(2,183,188)		2,556,712	
		(114,506)		874,787
(DECREASE)/INCREASE IN NET LIQUID FUNDS		(274,526)		36,210

The notes on pages 8 to 14 form part of these financial statements.

COUNTRYWIDE SURVEYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements have been prepared under the historical cost convention and drawn up in accordance with applicable accounting standards.

(b) Turnover

Turnover comprises commercial fees, professional fees and property management fee income.

Commission earned on the sale of commercial property is accounted for on the exchange of contracts for such sales.

Residential survey income is accounted for when the survey is completed.

Property management fee income is accounted for on a cash basis.

(c) Fixed Assets

Fixed assets are stated at cost or valuation less accumulated depreciation. Tangible fixed assets are depreciated over their estimated useful economic lives as follows:

Leasehold Properties and improvements:	Over the remaining period of the lease
Office furniture and equipment:	20% per annum on straight line basis
Motor Vehicles:	20% per annum on straight line basis

(d) Deferred Taxation

Provision is made for taxation deferred through income and expenditure being recognised for taxation purposes in different periods from those used for accounting purposes, to the extent that, in the opinion of the Directors, such deferred taxation is expected to become payable in the foreseeable future.

(e) Operating Leases

Lease payments in respect of operating leases are charged against profit as incurred.

(f) Pension Costs

The Company is a member of Hambro Countrywide PLC's group pension schemes. The expected cost of pensions in respect of the group's defined benefit pension scheme is charged to the profit and loss account so as to spread the cost of pensions over the service lives of employees in the scheme. In accordance with statement of Standard Accountancy Practice No. 24 variations from the regular cost are spread over the expected remaining service lives of current employees in the schemes. The pension cost is assessed in accordance with the advice of qualified actuaries. In respect of defined contribution schemes, contributions are charged to the profit and loss account in the year in which they become payable.

COUNTRYWIDE SURVEYORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. EMPLOYEE INFORMATION

Employment costs were as follows :-

	1990	1989
	£	£
Wages and salaries	6,969,935	6,828,817
Social security costs	605,857	626,061
Other pension costs	259,477	235,579
	<hr/>	<hr/>
	7,831,269	7,690,457
	=====	=====

The average number of persons employed by the company was :-

	1990	1989
Sales	196	247
Management and administration	270	267
	<hr/>	<hr/>
	466	514
	=====	=====

3. DIRECTORS EMOLUMENTS

	1990	1989
	£	£
For management services	526,463	456,418
	=====	=====

The emoluments of the directors were within the following ranges :-

	1990	1989
£ nil - £ 5,000	1	3
£15,001 - £20,000	2	-
£20,001 - £25,000	1	1
£25,001 - £30,000	1	-
£35,001 - £40,000	1	1
£40,001 - £45,000	-	1
£45,001 - £50,000	1	2
£50,001 - £55,000	2	3
£55,001 - £60,000	-	1
£60,001 - £65,000	1	-
£65,001 - £70,000	1	-
£75,001 - £80,000	1	-

The Chairman received no emoluments from Countrywide Surveyors Limited, being paid by Hambro Countrywide PLC. The highest paid director earned £75,122.

COUNTRYWIDE SURVEYORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. (LOSS)/PROFIT FROM OPERATIONS

This is stated after charging :-	1990	1989
	<u>£</u>	<u>£</u>
Auditors remuneration	40,000	35,000
Depreciation - tangible fixed assets	676,214	662,563
Operating lease payments	236,461	234,775
Loss on sale of fixed assets	99,141	338
	<u>651,816</u>	<u>932,676</u>

5. OTHER INCOME

Other income includes rent receivable from group undertakings of £26,855 (1989: £20,801) and gains on the sale of leasehold property of £19,229 (1989: £41,164).

6. TAXATION

Corporation tax on the profit for the year:		
Current tax at 35%	270,564	295,958
Deferred tax at 35%	(36,474)	(17,603)
	<u>234,090</u>	<u>278,355</u>
	<u>234,090</u>	<u>278,355</u>

7. DIVIDENDS

A dividend of £164,225 (1989 £350,000) was paid during the year.

COUNTRYWIDE SURVEYORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. TANGIBLE FIXED ASSETS

	Short Leasehold <u>Properties</u>	Motor <u>Vehicles</u>	Furniture and <u>Equipment</u>	<u>Total</u>
Cost	£	£	£	£
1 January 1990	233,656	1,902,155	1,400,092	3,535,903
Group transfers	1,971	21,285	43,393	66,649
Additions	38,126	976,310	75,604	1,090,040
Disposals	(39,538)	(998,819)	(51,040)	(1,089,397)
31 December 1990	234,215	1,900,931	1,468,049	3,603,195
=====				
Depreciation				
1 January 1990	30,658	577,290	694,906	1,302,854
Group transfers	530	5,743	12,262	18,535
Charge for year	24,718	376,336	275,160	676,214
Disposals	(13,784)	(481,927)	(15,553)	(511,264)
31 December 1990	42,122	477,442	966,775	1,486,339
=====				
Net Book Amount				
31 December 1990	192,093	1,423,489	501,274	2,116,856
=====				
31 December 1989	202,998	1,324,865	705,186	2,233,049
=====				

9. DEBTORS

	1990 £	1989 £
Trade debtors	2,015,819	2,189,047
Amounts owed by group undertakings	1,656	1,915,211
Other debtors	384,561	295,123
Prepayments and accrued income	264,203	335,545
	<u>2,666,244</u>	<u>4,734,926</u>
	=====	=====

Other debtors include ACT of £54,742 (1989: £NIL) which will be recovered after more than one year

COUNTRYWIDE SURVIVORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. CREDITORS

Amounts falling due within one year	1990 £	1989 £
Bank overdraft	-	280,345
Trade creditors	223,557	229,516
Amounts owed to group undertakings	2,515,737	4,420,288
Other creditors including taxation and social security:		
Corporation tax	219,636	248,525
Other taxes and social security	625,177	580,869
Other creditors	493,146	921,310
Accruals and deferred income	545,803	434,625
Dividends payable	-	350,000
	<u>4,623,056</u>	<u>7,465,478</u>

Amounts falling due after more than one year

Hire purchase	-	6,710
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11. DEFERRED TAXATION

Accelerated capital allowances	1990 £	1989 £
Balance at 1st January	36,474	54,077
Credit for the year (Note 6.)	(36,474)	(17,403)
Balance at 31st December	-	36,474

There is no unprovided potential liability. Deferred taxation has been expressed at a corporation tax rate of 35%.

12. SHARE CAPITAL

	1990 £	1989 £
<u>Authorised</u>		
1,000,000 ordinary shares of £1 each	1,000,000	1,000,000
<u>Allotted and fully paid</u>		
500,000 ordinary shares of £1 each	500,000	500,000

COUNTRYWIDE SURVEYORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. PROFIT AND LOSS ACCOUNT

	1990
	£
At 1 January 1990	55,849
Retained profit for the year	145,860
At 31 December 1990	201,709

14. CAPITAL EXPENDITURE COMMITMENTS

	1990	1989
	£	£
Authorised and contracted	74,000	39,000
Authorised but not contracted	-	-

15. OPERATING LEASE COMMITMENTS

	1990	1989
	£	£
Commitments under operating leases payable within the twelve months ending 31 December 1991 are as follows:		
Land and buildings with commitments expiring:		
- within one year	6,125	11,000
- in two to five years	212,295	124,000
- in more than five years	496,372	484,000
	714,792	619,000
Other operating leases with commitments expiring:		
- within one year	45,218	71,000
- in two to five years	179,181	95,000
	224,399	166,000

The majority of leases of land and buildings are subject to rent reviews.

COUNTRYWIDE SURVEYORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. CLIENT MONIES

At 31 December 1990 client monies held by the company in approved bank and building society accounts amounted to £3,098,637 (1989: £3,103,038). This amount and the matching liability to the clients concerned, are not included in the balance sheet.

17. PENSION SCHEMES

The Company operates a number of pension schemes, the majority of which are of the defined benefit type. The main defined benefit scheme is the Hambro Countrywide Executive Pension Scheme which is operated for all companies within the Hambro Countrywide group. The assets of all the schemes are held in separate trustee administered funds.

The pension cost of the defined benefit schemes was £138,891 (1989 - £123,805). The pension contributions relating to the schemes are assessed in accordance with the advice of a qualified actuary using the projected unit method. The latest actuarial assessment of these schemes was at 31 March 1989. The assumptions used in the valuation were that the investment return would be 8.5% per annum, that salary increases would average 7.5% per annum, and that present and future pensions would increase at the rate of 4.0% per annum.

At the date of the latest actuarial valuation, the market value of the assets of the schemes was £5.3 million and the actuarial value of the assets was sufficient to cover 70% of the benefits that had accrued to the members, after allowing for expected future increases in earnings. This represents an actuarial deficit of £2.6 million which is being made up by increased funding over the employees' expected remaining service lives in accordance with actuarial advice.

In addition the Company operates defined contribution pension schemes. The assets of the schemes are held separately from those of the Company in independently administered funds. The pension cost charge to the schemes amounted to £101,339 (1989 - £92,778).

18. ULTIMATE HOLDING COMPANY

The immediate holding company is Hambro Countrywide PLC, a company registered in England. Copies of the accounts of Hambro Countrywide PLC can be obtained at Wilsons Corner, 1-5 Ingrave Road, Brentwood, Essex CM15 8TB.

The ultimate holding company is Hambros PLC, which is incorporated in Great Britain and registered in England. Copies of the accounts of Hambros PLC can be obtained at 41 Tower Hill, London EC3N 4HA.